

CITY OF NEWTON
IN BOARD OF ALDERMEN
FINANCE COMMITTEE REPORT
SPECIAL JOINT MEETING WITH CMTE ON COMMUNITY PRESERVATION
MONDAY, NOVEMBER 8, 2004

Present: Ald. Coletti (Chair), Gerst, Linsky, Stewart, Parker, Schnipper and Lipof

Absent: Ald. Gentile

Committee on Community Preservation Members Present: Ald. Linsky (Chair), Lennon, Hess-Mahan, Sangiolo, Yates, Parker, Vance and Lappin

Also Present: Ald. Johnson, Danberg and Baker; Doug Dickson (Community Preservation Committee), David Wilkinson (Comptroller), Josephine MacNeil (CAN-DO),

REFERRED TO COMMITTEE ON COMM. PRES. AND FINANCE COMMITTEE

#392-04 COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$2,560,000 be appropriated from the Community Preservation Fund for purposes of funding the acquisition of land or other legal interests at Angino Farm (303 Nahanton Street), with the intention of establishing a community farm and renovating the structures on the site.

CMTE ON COMM PRES APPROVED 5-1-2 (Vance opposed; Linsky, Parker abstaining)

ACTION: APPROVED 3-1-3 (Stewart opposed; Linsky, Parker, Gerst abstaining)
SUBJECT TO SECOND CALL

NOTE: There were representatives present this evening from the Planning Department as well as Doug Dickson from the Community Preservation Committee. We had a joint meeting with the members of the Community Preservation Sub-Committee of the Board of Aldermen which is chaired by Ald. Linsky and we had a follow up discussion on the circumstances surrounding the purchase of Angino Farm.

In the last packet enclosed should be a complete breakdown of the necessity for coming up with the money at this time for purchasing Angino Farm. Appraisals were done; the latest is attached to the report dated November 8, 2004 along with the summary of the appraisals. Using the various methods the appraisals came out to be some where in the vicinity of 2.35 million dollars. Also attached is a document dated November 5, 2004, which is a history of Angino Farm and hopefully a recommendation from the Community Preservation Committee which will be attached to the report. There is a memorandum also attached from the Community Preservation Committee indicating that they are agreeing with the

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Finance Committee and the Board of Aldermen relative to bonding a portion of the purchase proceeds.

We received for the Committee's review an analysis which was done by Sandy Pooler relative to the various bonding scenarios and that bonding information was attached to the Finance Committee Agenda this evening.

The discussion was spirited and both Committees expressed a deep interest in purchasing the Angino Farm property. It will be turned over to an operations person similar to the way the Commonwealth Golf Course is managed under a long term contract. The people who work the Farm will not be share holders but people who will be working at the facility and share in some of the vegetables and plants that are grown.

It was made perfectly clear during the discussion that ownership and interest in this property will go to the City of Newton. In the interim the City is taking title to this property. The Purchase and Sale Agreement which was reviewed by the Committee is between the Newton Conservators and the Angino Family Trust (with Attorneys representing the Trust). We understand that this agreement to purchase must be consummated by December 20, 2004, and it was important the Board of Aldermen proceed with the funding of monies in order to accomplish the signing of the Purchase and Sale Agreement and move toward a closing.

Most of the other items involving this will be discussed on second call. During the discussion the Committee, who is instructed by Sandy Pooler, spoke about the additional costs relative to the legal opinion and financial opinion which must be rendered on the perspectis for the sale of bonds remaining to this project along with some legal costs. It was understood that there would be approximately \$110,000 of additional costs remaining to the sale of bonds and legal costs associated with purchasing this Farm.

The Committee ultimately adopted a format that we would use \$1,110,000 from current FY05 Community Preservation funds. The City would go out to bond and sell 1.5 million dollars in general obligation bonds (with a term and duration not to exceed 5 years) in order to purchase the Farm without exhausting some of the initial fund which are currently in the operating budget for this year for the Community Preservation Committee. The bonds will be 5 years; the interest rate will be around 3 to 3.5 percent. We expect the bond sale would happen sometime in February and it would cost approximately \$180,000 over 5 years in additional expenses to borrow the funds over the term, it will be specified in the bonds in order to make this acquisition. Referring once again to Sandy Pooler's backup just for a verification it will be 1.5 million over a 5 year term with an interest obligation of \$180,000. If we borrowed the entire amount 2.5 million over 5

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years it would have a cost of \$300,000 to the City and basically by borrowing the 1.5 million over 5 years it really does not significantly add to the cost of the proposal.

The Committee had some further discussion about making sure that the Board Order is drafted. The draft Board Order is attached to the Finance Committee backup specifying the bonding requirements. The total appropriation of funds will increase due to the additional legal and bonding expenses and the fact that the Title for this property will go to the City of Newton who will operate this farm for the benefit and ownership of the citizens of the City of Newton.

Upon answering and clarifying all of the issues regarding the borrowing the Community Preservation Sub-Committee of the Board of Aldermen voted by the vote that was recorded by Ald. Linsky to approve this item. The item then came before the Finance Committee, once again \$1,110,000 from available Community Preservation funds for FY05 and 1.5 million in bonds not to exceed a 5 year term.

The item carried three in favor: Ald. Schnipper, Ald. Coletti and Ald. Lipof, one opposed: Ald. Steward, three abstentions: Ald. Parker, Ald. Gerst and Ald. Linsky, one absent: Gentile.

REFERRED TO COMMITTEE ON COMM. PRESERVATION AND FINANCE

#365-04 COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$575,000 be appropriated from the Community Preservation Fund for purposes of funding an historic renovation and the creation of three units of community housing within a mixed-income development totaling five units located at 248 Elliot Street.

ACTION: **CMTE ON COMM PRES APPROVED 3-0-1 (Yates abstaining) on 9/28/03**
APPROVED 4-2-1 (Gerst, Stewart opposed; Parker abstaining)

NOTE: Jason Rosenberg submitted a complete package which has also been sent to the members of the Finance Committee. A copy of this information is on file in the Clerk's office; it will be needed in the future. Please see the November 5, 2004 packet from Jason Rosenberg to the members of the Finance Committee. Also please see the letters that were submitted in support of the item by the representatives of the Village Bank, along with letter which was sent to us by Ald. Johnson. Both of these items the Committee approved a request to include these as part of the discussion this evening and they will be attached to the report.

The Committee proceeded to get into its discussion on the merits of this proposal. Josephine MacNeil was present this evening. Once again the request is for over \$250,000 in Community Development Block Grant funds and \$575,000 from the Community Preservation fund creation of housing account and other various

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support items; there is some additional grant money. In order to convert what is now a 2 family house into 5 units of housing, (2 affordable at market and 3 subsidized). Based on various federal guidelines the existing house will have 3 units (which will be 1, 1 bedroom and 2, 2 bedroom). There will be 1 duplex which will be built where there is currently a garage and there will be 1 affordable 2 bedroom condo and a market rate condo constructed there.

This item has been debated hotly in the neighborhood and the neighbors have met both with the Planning Department and representatives of Can-Do. There are certain land easements which must be secured by the Costers and also some screening and other fencing which will be put in place for both Beth Corr and the Costers in the event that this item is approved.

The discussion had rallied around whether the expenditure of over \$800,000 of tax payer money generates a project which justifies that amount of money for the creation of 3 affordable housing units in Upper Falls. That discussion continued this evening with the community representatives believing that is not in fact a wise financial decision. Josephine McNeil expressed her interest in not having to come back and ask for addition funds. By changing the mix of housing in the proposal the neighbors have always asked for 4 total units with a maximum of 6,000 square feet of living space. The Can-Do proposal continues to be 5 units with slightly over 7,000 square feet.

This item has passed all the hurdles besides the Finance Committee, most recently having been approved by the Zoning Board of Appeals as a Ch. 40b housing project.

Therefore, the final voting of these funds is necessary in order to proceed; the project is approximately 4 to 5 months behind schedule. In the mean time Can-Do has been carrying the cost of the mortgage, they received an additional mortgage by the Village Bank who did supply a letter in support. Can-Do is very eager to pay down a portion of this initial mortgage with the proceeds from the City. The Village Bank will then supply Can-Do with a construction mortgage which will then be paid off when the units are sold to the various future owners.

I expect this item to be on second call, so I will not go any deeper into the discussion. This evening it was clear that both parties were not able to reach an agreement which would allow all of the neighbors and the residents of Upper Falls and the Community Development Corporation in Upper Falls to support this item. Ultimately it became the judgment of the Finance Committee to move this item up or down and bring it to the Board for its final resolution.

On a motion made to approve the item carried 4 in favor: Ald. Lipof, Ald. Schnipper, Ald. Linsky and Ald. Coletti , 2 opposed: Ald. Stewart and Ald. Gerst, 1 abstention: Ald. Parker, and 1 absent: Gentile.

REFERRED TO COMMITTEE ON COMM PRES & FINANCE COMMITTEES

#423-04 COMMUNITY PRESERVATION COMMITTEE recommending that the sum of \$100,000 be appropriated from the Community Preservation Fund for purposes of providing additional funding for the creation of ten units of low-income elderly housing at 45 Pelham Street.

CMTE ON COMM PRES APPROVED 8-0 on 10/26/04

ACTION: **APPROVED 6-0 (Lipof not voting)**

NOTE: Representatives from the group who is currently doing this project were present this evening and indicated that some time ago in the process it was determined that this is the Core Community formally known as the Cooperative Living in Newton. They originally requested and were approved to receive \$211,936 in CPA funds for the creation of 11 units of Community Elderly Housing. Basically, the total budget for the acquisition and renovation of this property was originally estimated to be 1.9 million. The CPA request was for exterior renovations and site work which included a new roof, removal of the aluminum siding, restoration of the original siding, and foundation repairs. The City committed \$550,000 in Community Block Ware Grant in order to assist in the renovation of this property.

The project has progressed; the applicant acquired the Title and did the necessary demolition. Despite this the cost has risen and the revised budget projections are now 2.85 million resulting in a short fall of \$556,000. The need for additional funding stems from several factors, a significant increase in construction costs, demolition review of previously unknown structural damage and additional design elements resulting from meetings with the Zoning Department of the City and because the construction started late. As a result the applicant is requesting an additional \$100,000 from the Community Preservation fund. In addition to the request of these funds the applicant has received commitments for funding from the City Community Development Block Grant, the State's Affordable Housing Trust Program and Citizens Bank.

The Committee discussed the item with the Cooperative Living people and realized that this project was worthwhile and, with the additional expenditure of \$100,000 would in fact help complete the project.

A motion was made to approve and the item carried, 6 in favor, none opposed, no abstentions, and 2 absent: Ald. Lipof and Ald. Gentile.

REFERRED TO PUBLIC SAFETY/TRANS. AND FINANCE COMMITTEES

#433-04 HIS HONOR THE MAYOR requesting an appropriation in the amount of \$56,000 from Free Cash for the purpose of replacing two sedans in the Fire Department.

PUB. SAFETY/TRANS. APPROVED 7-0 ON 11/3/04

ACTION: **APPROVED 6-0 (Lipof not voting)**

NOTE: The Chief was present this evening and presented a letter dated October 27, 2004 from the Mayor to the Board of Aldermen. The Chief also presented a letter dated April 22, 2004 to the Mayor requesting replacement of vehicle C6 and C9, both Ford Crown Victorias. One vehicle is a 1992 model and the other is a 1994 model, both have over 100,000 miles and both have rejection stickers from the inspection department. The vehicles need to be replaced especially as we begin to go into the winter season. The Mayor was waiting for the Free Cash to be certified and now the Free Cash has been certified. The Mayor responded to the April 22, 2004 letter from the Chief by submitting the October 27, 2004 letter to the Board of Aldermen indicating that the \$56,000 would be funded from pre-cash. The vehicles have already been ordered and they are waiting to be picked up by the City. By approving this item this evening we would facilitate getting these two vehicles on-line before the winter season approaches.

The motion was made to approve, carried 6 in favor, none opposed, no abstentions and two absent: Ald. Lipof and Ald. Gentile.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#359-04(2) HIS HONOR THE MAYOR, in accordance with MGL Ch.44, Sec.53E1/2, establishment of a revolving fund, with an annual expenditure limit of \$100,000 for FY05 to receive payments to the Department of Public Works for repairs to private ways under the provisions of docket item #359-04.

PUB. FACILITIES APPROVED 6-0 ON 11/3/04

ACTION: **APPROVED 6-0 (Lipof not voting)**

NOTE: This is a standard procedure which the Board usually follows; the Board of Aldermen must create revolving funds in order to have money pass through from tax payers into various municipal operations without having to be deposited first in the General Funds. The revolving accounts are usually established at budget time but during the year the Board may establish revolving funds which then have to be renewed annually while the particular situation exists. This will be a long-term revolving fund under docket #359-04. The City is proposing to make permanent repairs on private ways which will be billed out to property owners who abut private ways. It will be billed on an overtime rate basis for materials and

equipment in order to facilitate permanent improvements on roads which have become dangerous as a result of the City's inability to accept these roads under the betterment process and do the complete renovations.

Commissioner Rooney was present this evening from the Public Works Department. The Commissioner indicated that he requests the establishment of the revolving fund; the revenue collected for private way maintenance will be deposited in this account and expended without further appropriation. As the money comes in it will replenish the fund which will be used to make the repairs on an as-needed basis.

The Committee had no problem with this item, a couple members of the Committee expressed the fact that Ald. Linsky and Ald. Colletti do, in fact, live on private ways. Realizing that we did not have a conflict of interest we still decided to express the fact that we do live on private ways. Although they are both improved we believe that this is an interesting way to either improve or maintain some of the more than 300 private ways that exist in the City.

A motion to improve establishment of the revolving fund carried 6 in favor, none opposed, no abstentions, 2 absent: Ald. Lipof and Ald. Gentile.

All other items were held. The Committee adjourned at approximately 10:00 p.m.

Respectfully Submitted,

Paul E. Coletti, Chairman